

A Laboratory Subcontractor Invests Time, Money, & Effort To Stimulate Northern New Mexico Economy

Small Business Office Success Story

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In an effort to stimulate the northern New Mexico Economy, Los Alamos National Laboratory requires its subcontractors, typically with contracts over \$5 million, to include an economic development plan in their contract. As part of that plan, subcontractors set goals to either enter into long-term business alliances with smaller northern New Mexico companies, create new job opportunities for local workforce, develop scholarship & training programs for students, or to support civic and charitable organizations. One of the subcontractors who is pushing hard to achieve their goals, of stimulating the northern New Mexico economy, is Jacobs Engineering Group Inc. (Jacobs).

Since June 2000, Jacobs has maintained an engineering contract with the Laboratory. As part of the contract, the company agreed to implement a northern New Mexico economic development plan. Jacobs decided to make ACCION New Mexico (ACCION) the cornerstone of that program. ACCION is a nonprofit organization that provides credit, training, and support to small business owners who have difficulty obtaining loans from traditional lending sources.

“We worked with ACCION for several years before our contract with the Laboratory, and when our company agreed to implement the northern New Mexico economic development plan, we felt ACCION services would be a perfect fit,” said Larry Pinkel, economic development manager for Jacobs. “I did some research and found that many small business owners, and potential business owners, in the northern New Mexico community could benefit from the loan services that ACCION provides.”

Since 1994, Jacobs has been working with ACCION to ensure small business owners can obtain a loan to either start-up or expand their business. Jacobs encouraged ACCION to expand their services to the northern New Mexico region, and played a key role in making this happen in 1999. “Jacobs took on a leadership role in helping ACCION expand in the northern New Mexico community,” said Marisa Barrera, chief development and communications officer for ACCION. “The company is an amazing advocate of increasing economic opportunity for small businesses in northern New Mexico, and we value that.”

Since ACCION expanded its services to the northern New Mexico region, more than 190 micro enterprise loans have been made to local businesses totaling over \$985,000. Clients in the northern New Mexico region report that 210 jobs have been created or sustained from the loans they have obtained from ACCION. “The companies who use our services, are companies that don’t qualify for a loan at a traditional bank,” said Barrera. “With interest rates only slightly higher than the commercial banks, we want to make sure we are serving entrepreneurs who can’t obtain funds from traditional creditors.”

Since 1994, more than 2,130 loans have been issued totaling more than \$6 million. “Our loans range from \$200 to up to \$50,000,” said Barrera. “These may be micro loans, but they have made a dramatic impact on our clients’ profitability and income.”

An estimated 1,800 jobs have been created or sustained from the companies who have received loans from ACCION New Mexico. The organization’s clients range from one-person operations to businesses that employ more than 40 employees. The variety of businesses utilizing support from ACCION include manufacturers, independent consultants, service industries, automotive repairs, artisans, beauty salons, and restaurants. “We have a wide customer-base, which we take great pride in,” said Barrera. “We find it extremely gratifying when our services help these businesses grow and become profitable.”

Some of the northern New Mexico companies who have benefited from ACCION’s services are grateful to have utilized the program. “I have expanded from being a seasonal business to a year-round business, with two full-time employees and an addition of a coffee shop, thanks to the loan I obtained through ACCION New Mexico,” said Tom Rael, owner of Sun Mountain Bikes in Santa Fe.

“Without the help of ACCION New Mexico we would have not been able to compete in the water purification business,” said Anthony Roybal, co-owner of Water-Boyz in Santa Fe. “The agency provided us the loan we needed to buy the equipment required to meet water purification standards in the state of New Mexico, as well as a truck to deliver water to local businesses.”

“I would recommend ACCION’s services to any small business looking to obtain a loan, but can’t get the funding through a regular bank,” said Patti Goetsch, owner of A Farmer’s Wife, a jam-making company out of Las Vegas. “The staff of ACCION are professional and personal, which really made the process of getting a loan with them a pleasant experience.”

ACCION New Mexico attributes a substantial part of their success to Jacobs Engineering. “Jacobs Engineering is a wonderful advocate in making sure there are resources for entrepreneurs in the small business community,” said Barrera. “Without their help, we wouldn’t be nearly as successful as we are today, because they have invested much time and money in this organization.”

Jacobs Engineering’s investments include: substantial cash contributions, in-kind contributions (which is the time volunteered by Jacobs Engineering’s information technology staff to help ACCION with their network administration services), Larry Pinkel’s service on the ACCION Board of Directors, and a \$250,000 line of credit at zero percent interest. “Part of Jacobs Engineering’s initiative is to make sure capital gets back to the small business community,” said Barrera. “By them lending us \$250,000 at zero percent interest, we are able to multiply that money back into the community. Jacobs Engineering has already made a positive and lasting impact on ACCION, so we certainly hope the relationship continues.”

For more information on ACCION, visit their website at <http://www.accionnm.org>. More information on Jacobs can be found at <http://www.jacobs.com/>. Meanwhile, to learn more

about the companies who gave the testimonials in this story, you can e-mail them or visit their websites:

Sun Mountain Bikes: <http://www.sunmountainbikeco.com>

The Water Boyz: Ar32860@aol.com

The Farmer's Wife: <http://afarmerswife.com/>

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